



16984 Highway#12 P.O. Box 820
Midland Ontario L4R 4P4

June 13, 2011

Ontario Energy Board
2300 Yonge Street
26th Floor
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Sirs:

Re: Midland Power Utility Corporation – Application for Extension to Mandated Time-of-Use Pricing
for Certain Regulated Price Plan Consumers
Licence #ED 2002-0541; Board File No. EB-2011-0133

Enclosed please find Midland PUC's response to Interrogatories of the Canadian Federation of Independent Business filed under the RESS system today.

Should you have any questions, please do not hesitate to contact the writer.

Yours very truly,

MIDLAND POWER UTILITY CORPORATION

A handwritten signature in black ink, appearing to read 'Phil Marley'.

PHIL MARLEY, CMA
President & CEO
Tel: (705)526-9362 ext 204
Fax: (705) 526-7890
E-mail: pmarley@midlandpuc.on.ca



**Midland Power Utility Corporation
RESPONSE TO
CANADIAN FEDERATION OF INDEPENDENT BUSINESS -
INTERROGATORIES**

**Application by Midland Power Utility Corporation
for an Extension to its Mandated Time-of-Use**

Pricing Date for Certain Regulated Price Plan Consumers

**EB-2011-0133
Dated: June 13, 2011**

1. Midland states in its application that it is ready to implement time of use rates for small commercial customers, and that it anticipates, if these customers cannot shift consumption away from the peak periods, this will lead to higher bills.

If Midland is ready to implement the time of use rates, does this mean that bills for small commercial customers can be computed accurately using available consumption information for individual customers and the time of use rates? If so, has Midland made such computations? If yes, please provide a frequency distribution of total annual bill increases and decreases resulting from applying the time of use rates to Midland's General Service <50 kW class, in terms of percentage total bill change and the dollar value of bill changes in the class. If Midland has not made such a computation, please do so for a randomly selected sample of customers in the class, and provide the results.

RESPONSE:

Midland PUC completed installation of all GS<50 customers in January, 2011. Midland PUC is able to invoice these customers using available consumption information on TOU rates. Once this data became available, Midland PUC requested our IT service provider to complete a report showing the TOU computation vs. RPP rates for the period November, 2010 to April, 2011. Midland PUC is not able to provide the analysis over the period of one year as all meter installations were not completed until January, 2011. Midland PUC chose the time frame of November, 2010 to April, 2011 to provide consistency in all rate increases.

Midland PUC has approximately 720 GS<50 customers. The analysis showed that 87% of these customers would experience bill increases with the average increase being \$6.49 or 6.8%. In addition, 44% of customers would see an increase of more than 10% with the average increase being \$6.81 or 15.5%. The analysis also showed 13% of customers would see a decrease on average of \$7.40 or 2.7% and 14% of customers will receive an increase greater than 20%.

It should be noted, the above analysis was prepared using the winter TOU rates and it is anticipated the increases will surpass the amounts noted above when customers switch to the summer TOU rates. In addition, Midland PUC is a summer peaking LDC and consequently, the increases over this period would be greater than the analysis prepared in this Application.

Typically the GS<50 customer class operates business during the mid-peak and on-peak periods and does not always have the ability to shift their load to off-peak periods. Consumption patterns may not be consistent from month to month which would result in increases in one month and decreases in another.

2. Does Midland have any information as to whether the expected levels of bill impact on Midland's small business customers would be typical of the customers of other Ontario LDCs? If so, please provide the information to the extent allowed by considerations of confidentiality, if any.

RESPONSE:

Midland PUC is not aware of bill impacts for other LDCs, however, PowerStream Inc. has filed an extension on the same basis as Midland PUC.

3. Please list and describe the measures that Midland plans to take during the postponement period, if approved by the Board.

RESPONSE:

Over the next six months Midland PUC will promote the conservation programs which have just recently been formalized by the OPA. Midland PUC's current plan is to hold information sessions with customers to both educate and inform customers of the Ontario Power Authority conservation programs that are available to help reduce electricity consumption. Programs include the Equipment Replacement Incentive Initiative (ERII), the Direct Install Lighting and the Direct Service Space Cooling program.

Midland PUC is currently marketing and promoting these programs through our website, at TOU information sessions held with the public and with messages on our invoices. In addition, Midland PUC plans to advertise in local community newspapers, through cable television advertisements and starting in the fall of 2011 will be hosting information sessions for the GS<50 class of customers at our local library.

Midland also provides one-on-one site visits to customers. Our experiences to date have shown these small commercial customers are heavily influenced by the tourist trade over the summer months and consequently are unable to devote time to attend information sessions or implement conservation programs during the summer. The fall and early winter timeframe will provide better representation from this class of customers.

In the interim, Midland PUC will arrange to attend and present the OPA programs at several local business association meetings. Our current plan is to provide our local Chamber of Commerce, Rotary Club, Builders Association and Business Improvement Association with information concerning pending increases. Midland expects to provide bill inserts in our invoicing over the next six months to educate our customers on conservation programs and tips.

With this plan in place, Midland PUC believes it will be able to effectively market the OPA programs to our GS<50 customers and educate these customers on the TOU rate structure.

4. Is Midland confident that customer bill impacts can be mitigated by the new proposed implementation date of February 1, 2012? Why, or why not?

RESPONSE:

Midland PUC is working with the OPA in the delivery of conservation programs throughout Midland's service territory. The Direct Install program offered by the OPA was a successful program over the past two years and shows customers are interested in reducing their electrical consumption. Additional programs, such as the ERII and the Direct Service Space Cooling program, have recently been showcased by the OPA and Midland PUC has not been able to formally introduce these programs to our customers. In the spring of 2011, Midland PUC hired an Energy Services Manager who will provide details, education sessions and assistance to our customers in the delivery of these programs.

Midland PUC cannot predict the uptake of these programs within our service territory over the next several months, but will be actively marketing and promoting the programs to GS<50 customers.

5. Has Midland consulted with customers, or with organizations of small business in developing measures to reduce the negative impacts of time of use rates? If not, what is Midland's view of the potential value of such consultations?

RESPONSE:

Midland PUC has not in the past consulted with organizations of small business as a group. We have met with individual businesses who have contacted Midland PUC for assistance or with electrical companies and other businesses who have offered the service to small business. Midland PUC believes customer contact and consultations to be very valuable and will deliver conservation programs and provide education sessions at the customer place of business, Rotary Club, Chamber of Commerce, Builders Association and BIA organizations.

All of the above educational sessions will afford general business customers the opportunity to take advantage of the conservation programs and empower them to shift load where possible.

6. Is Midland aware of any requirement of the Ontario Energy Board for LDCs to compute and report customer bill impacts resulting from the implementation of TOU rates?

RESPONSE:

Midland PUC is not aware of any requirement of the OEB to compute and report TOU billing impacts.

7. Has Midland been provided with any data by the OPA as to the level of acceptance of the CDM programs by the GS<50kW class, or as to the results achieved by the program participants? If so, please provide that data.

RESPONSE:

Midland PUC has not been provided with any data by the OPA.